

**FINANCIAL INDUSTRY REGULATORY AUTHORITY**  
**DISPUTE RESOLUTION**

IN THE MATTER OF THE ARBITRATION OF:

MICHAEL CHARLES WARR,  
                     CLAIMANT,  
                     V.

\*  
 \* CASE NO. \_\_\_\_\_  
 \*

MORGAN STANLEY & Co. LLC,  
                     RESPONDENT.

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 \*  
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**STATEMENT OF CLAIM**

As his Statement of Claim, Mr. Michael C. Warr (the “Claimant”), by the undersigned attorney, hereby requests arbitration with an expungement hearing, either telephonically or by video conference, before FINRA Dispute Resolution regarding the following allegations against Morgan Stanley & Co. LLC (the “Respondent”) pursuant to customer dispute occurrence number 1451227 (the “Underlying Claim”):

**THE PARTIES**

1. The Claimant, Michael C. Warr (CRD #3187674), is a resident of Tuscaloosa, Alabama. He has been working in securities since April of 1999 and is currently a financial advisor at Morgan Stanley Private Bank, National Association and with Morgan Stanley in Tuscaloosa, Alabama. He has one customer dispute on his Central Registration Depository (“CRD”) record. (*see*, Exhibit 1)

2. The Respondent, Morgan Stanley & Co. LLC (CRD #8209) (f/k/a Morgan Stanley & Co. Incorporated), is a currently registered securities broker-dealer firm and a previously registered investment adviser firm. Between April of 2008 and June of 2009, the Respondent

employed the Claimant as a financial advisor and branch manager in Tuscaloosa, Alabama. (*see*, Exhibit 1)

### **FACTUAL BACKGROUND**

3. The information herein is to the best of the Claimant's recollection in the absence of substantiating documentation.

4. In or around October of 2004, Mr. John E. Jarvis (the "Customer") became a client of the Claimant by way of referral. He was seeking a professional to help with his investments, because he was dissatisfied with the returns that he had been receiving with his previous advisor. At that time, the Claimant was working at Merrill Lynch, Pierce, Fenner & Smith Incorporated. (*see*, Exhibit 1)

5. The Customer was approximately 66 years old. He was self-employed at Jarvis Trucking with an annual income of \$200,000, and he had a liquid net worth of \$2 million. He was a significantly practiced investor with approximately 25 years of investment experience. Through personal interviews, the Claimant and the Customer ascertained the Customer's investment objective to be income with a moderate risk tolerance and a long-term investment time horizon of 11 to 20 years. The Customer did not expect to require any liquidity for 11 to 20 years.

6. The Claimant met with the Customer on two separate occasions to discuss various potential investments that were suitable for the Customer's needs, including mutual funds, bonds, and annuities. In one meeting, the Claimant presented an investment proposal that featured an annuity. All aspects of annuities, including surrender fees and penalties, were disclosed verbally and in written materials that the Customer received and was required to read and sign prior to purchasing any annuity product. After two meetings, the Customer elected to invest 98% of his portfolio with the Respondent into the purchase an annuity.

7. On December 7, 2006, an annuity (the “Disputed Investment”) was acquired for the Customer.

8. In March of 2007, signs of the subprime mortgage crisis that led to the 2007 to 2009 recession in the United States were becoming apparent due to events such as the failure of Bear Stearns. Though the markets continued seemingly healthily until they reached a closing high on October 9, 2007, they later declined significantly into December of 2007, when the United States fell into a recession. (*see*, Exhibit 2)

9. Following the Customer’s purchase of the Disputed Investment, the Claimant spoke with the Customer at least ten times. The Customer made infrequent trades, and verbal authorization was standard.

10. In April of 2008, the Claimant transferred his registration to the Respondent, and the Customer chose to bring his accounts over to the Respondent along with the Claimant. (*see*, Exhibit 1)

11. In early July of 2008, the Dow Jones Industrial Average (the “Dow”) traded at a two-year low. (*see*, Exhibit 2)

12. On September 7, 2008, after the markets had declined nearly 20% since their previous peaks in October of 2007, the U.S. government announced plans to take over Fannie Mae and Freddie Mac due to losses resulting from the subprime mortgage crisis. (*see*, Exhibit 2)

13. On September 14, 2008, Lehman Brothers announced “the largest bankruptcy filing in U.S. history at that time.” The following day, the markets declined sharply, with the Dow closing down 499 points. (*see*, Exhibit 2)

14. On September 29, 2008, the Dow experienced its largest drop in history of 774 points. (*see*, Exhibit 2)

15. On October 2, 2008, three days later, the Customer surrendered the Disputed Investment. Upon surrendering the Disputed Investment, the Customer incurred a surrender fee, and, due to the timing of the surrender, the Customer received less money back than he had anticipated.

16. The Disputed Investment had performed favorably relative to industry benchmarks. Between its acquisition and its surrender to cash, the performance of the Disputed Investment was -27.0%. Over a similar period of time, from December 2006 through October 2008, the return of the Dow was -25.8, and the return of the Standard & Poor's 500 was -31.5%. (*see*, Exhibits 3, 4)

17. When the Customer spoke with the Claimant about receiving less cash from the Disputed Investment than he had anticipated, the Claimant explained how the timing of the annuity surrender was not ideal, as the Customer had chosen to execute said surrender three days after the Dow had experienced its largest decline in history. The Claimant also reminded the Customer about their discussions regarding the surrender fees associated with the Disputed Investment.

18. On December 30, 2008, the Customer orally alleged that the Respondent was “untimely in its reallocating of his annuity.” The Customer sought unspecified compensatory damages. (*see*, Exhibit 1)

19. On March 13, 2009, the Respondent settled with the Customer in the amount of \$31,058.96, a nominal amount in light of the cost of defending against arbitration or litigation and pursuant to its fiduciary duty to its shareholders. The Claimant did not contribute to the settlement. (*see*, Exhibit 1)

20. Notably, the Claimant and the Customer maintained a professional relationship for several years after the surrender of the Disputed Investment. The Customer did not liquidate his accounts with the Claimant and the Respondent until September of 2012.

21. The Customer's claim that the Respondent was "untimely in its reallocating of his annuity" as reported to the Claimant's CRD report and BrokerCheck, is clearly erroneous, factually impossible, and false and, therefore, meets both the FINRA Rule 2080(b)(1)(A) standard and the Rule 2080(b)(1)(C) standard for expungement. (*see*, Exhibit 1)

- a. The claim is false, because, as a condition of the sale of the Disputed Investment, the Customer signed paperwork detailing all associated risks, surrender fees, and penalties. The Customer's signed acknowledgment of the involved risks and penalties was a prerequisite to purchasing the Disputed Investment, and, thus, contradicts his claim of wrongdoing on the part the Respondent. While the Customer may have been unhappy with the performance of the Disputed Investment, said performance was in no way a result of any action on the part of the Claimant.
- b. The claim is clearly erroneous, because the allegations specifically state that the customer accused the Respondent, and not the Claimant, of an untimely allocation. Furthermore, the Customer failed to provide any specific information detailing how the Respondent failed to reallocate his annuity in a timely manner or the timeframe for the purported reallocation.
- c. The claim is false, because the Customer claimed that he had no need for liquidity for 11 to 20 years. Had he chosen to hold the Disputed Investment for the long term, as he initially had planned, he may not have suffered such losses upon the surrender of the Disputed Investment, which he chose to surrender less than two years after its purchase.
- d. The claim is false, because the lack of timeliness of the surrender of the Disputed Investment was entirely the Customer's choice. The lowered value of

the Disputed Investment was due to the unprecedented financial downturn of 2008, wherein the Dow hit a record low several days prior to the Customer's surrender of the Disputed Investment. The Claimant could not have been reasonably expected to foresee such a drastic market downturn as early as 2006, when the Disputed Investment was purchased, nor did he recommend that the Customer surrender the Disputed Investment in the wake of said downturn.

- e. The claim is clearly erroneous, factually impossible, and false, because the Claimant had no control over, nor any responsibility for, the Respondent's reallocation of the Disputed Investment.

22. Since the Claimant was not responsible for the timeliness of the reallocation or the surrender of the Disputed Investment, and since he performed his duties as a representative in a thorough, ethical, and professional manner, the public disclosure of the patently false allegation herein does not offer any public protection and has no regulatory value. If not expunged, this customer dispute will mislead any person viewing the Claimant's CRD record and will not provide valuable information for knowledgeable decision making.

#### **RELIEF REQUESTED**

23. The Claimant requests expungement of the Underlying Claim from his CRD record pursuant to FINRA Rule 2080(b)(1)(A), as the claim, allegation, or information is factually impossible or clearly erroneous.

24. The Claimant requests expungement of the Underlying Claim from his CRD record pursuant to FINRA Rule 2080(b)(1)(C), as the claim, allegation, or information is false.

25. The Claimant requests an award of compensatory damages in the amount of \$1.00 from the Respondent.

26. The Claimant requests any and all other relief that the Arbitrator deems just and equitable.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Owen Harnett', is written over the typed name.

Owen Harnett, J.D.

Associate Attorney

T: (720) 523-8118

E: [Owen@advisorlawyer.com](mailto:Owen@advisorlawyer.com)

AdvisorLaw, LLC  
3400 Industrial Lane, Unit 10A  
Broomfield, CO 80020

Date: October 11, 2017

Exhibit 1 – Michael C. Warr BrokerCheck Report and CRD Individual Snapshot Report, dated  
October 11, 2017

Exhibit 2 – “The Fall Of The Market In The Fall Of 2008” Investopedia article, not dated

Exhibit 3 – “History Suggests Dow's Bull Run Still Has Legs” Forbes article, dated December  
30, 2013

Exhibit 4 – "Inside the S&P 500 - The Dividend Aristocrats" Indexology blog, dated December  
12, 2014

# EXHIBIT 1





**BrokerCheck Report**  
**MICHAEL CHARLES WARR**  
CRD# 3187674

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## About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**
- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.
- **Where did this information come from?**
- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD®, and is a combination of:
  - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
  - information that regulators report regarding disciplinary actions or allegations against firms or brokers.
- **How current is this information?**
- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.
- **What if I want to check the background of an investment adviser firm or investment adviser representative?**
- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.
- **Are there other resources I can use to check the background of investment professionals?**
- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

[brokercheck.finra.org](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://www.finra.org/brokercheck). It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit [www.finra.org](http://www.finra.org).

**MICHAEL C. WARR**  
CRD# 3187674

**Currently employed by and registered with the following Firm(s):**

**MORGAN STANLEY**  
1657 NORTH MCFARLAND BLVD.  
SUITE G3E  
TUSCALOOSA, AL 35406  
CRD# 149777  
Registered with this firm since: 06/01/2009

**Report Summary for this Broker**

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

**Broker Qualifications**

**This broker is registered with:**

- 4 Self-Regulatory Organizations
- 23 U.S. states and territories

**This broker has passed:**

- 2 Principal/Supervisory Exams
- 2 General Industry/Product Exams
- 1 State Securities Law Exam

**Registration History**

**This broker was previously registered with the following securities firm(s):**

**MORGAN STANLEY & CO. INCORPORATED**

CRD# 8209  
TUSCALOOSA, AL  
04/2008 - 06/2009

**MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED**

CRD# 7691  
TUSCALOOSA, AL  
04/1999 - 04/2008

**Disclosure Events**

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

Are there events disclosed about this broker? **Yes**

**The following types of disclosures have been reported:**

Type	Count
Customer Dispute	1

**Investment Adviser Representative Information**

The information below represents the individual's record as a broker. For details on this individual's record as an investment adviser representative, visit the SEC's Investment Adviser Public Disclosure website at <https://www.adviserinfo.sec.gov>



## Broker Qualifications



### Registrations

This section provides the self-regulatory organizations (SROs) and U.S. states/territories the broker is currently registered and licensed with, the category of each license, and the date on which it became effective. This section also provides, for every brokerage firm with which the broker is currently employed, the address of each branch where the broker works.

**This individual is currently registered with 4 SROs and is licensed in 23 U.S. states and territories through his or her employer.**

### Employment 1 of 1

Firm Name: **MORGAN STANLEY**  
 Main Office Address: **2000 WESTCHESTER AVENUE  
 PURCHASE, NY 10577-2530**  
 Firm CRD#: **149777**

SRO	Category	Status	Date
FINRA	General Securities Representative	APPROVED	06/01/2009
FINRA	General Securities Sales Supervisor	APPROVED	06/01/2009
NYSE American LLC	Branch Office Manager (NYSE)	APPROVED	06/17/2011
NYSE American LLC	General Securities Representative	APPROVED	06/17/2011
Nasdaq Stock Market	General Securities Representative	APPROVED	06/01/2009
Nasdaq Stock Market	General Securities Sales Supervisor	APPROVED	06/01/2009
New York Stock Exchange	Branch Office Manager (NYSE)	APPROVED	06/01/2009
New York Stock Exchange	General Securities Representative	APPROVED	06/01/2009

U.S. State/ Territory	Category	Status	Date	U.S. State/ Territory	Category	Status	Date
Alabama	Agent	APPROVED	06/01/2009	Georgia	Agent	APPROVED	06/01/2009
Arkansas	Agent	APPROVED	06/01/2009	Kentucky	Agent	APPROVED	07/26/2017
California	Agent	APPROVED	06/01/2009	Louisiana	Agent	APPROVED	06/01/2009
Colorado	Agent	APPROVED	01/18/2017	Massachusetts	Agent	APPROVED	05/14/2010
Connecticut	Agent	APPROVED	06/04/2015	Michigan	Agent	APPROVED	06/01/2009
Delaware	Agent	APPROVED	06/01/2009	Mississippi	Agent	APPROVED	06/01/2009
Florida	Agent	APPROVED	07/14/2009	New Jersey	Agent	APPROVED	03/29/2016



Broker Qualifications

Employment 1 of 1, continued

U.S. State/ Territory	Category	Status	Date
New York	Agent	APPROVED	04/09/2013
North Carolina	Agent	APPROVED	06/01/2009
Pennsylvania	Agent	APPROVED	04/08/2016
South Carolina	Agent	APPROVED	06/01/2009
Tennessee	Agent	APPROVED	06/01/2009
Texas	Agent	APPROVED	06/01/2009
Virginia	Agent	APPROVED	10/22/2013
Washington	Agent	APPROVED	09/28/2015
West Virginia	Agent	APPROVED	09/20/2017

Branch Office Locations

MORGAN STANLEY  
1657 NORTH MCFARLAND BLVD.  
SUITE G3E  
TUSCALOOSA, AL 35406

## Broker Qualifications

### Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below.

**This individual has passed 2 principal/supervisory exams, 2 general industry/product exams, and 1 state securities law exam.**

#### Principal/Supervisory Exams

Exam	Category	Date
General Securities Sales Supervisor - Options Module Examination	Series 9	06/26/2004
General Securities Sales Supervisor - General Module Examination	Series 10	07/08/2004

#### General Industry/Product Exams

Exam	Category	Date
General Securities Representative Examination	Series 7	04/07/1999
Futures Managed Funds Examination	Series 31	08/12/2004

#### State Securities Law Exams

Exam	Category	Date
Uniform Combined State Law Examination	Series 66	04/19/1999

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at [www.finra.org/brokerqualifications/registeredrep/](http://www.finra.org/brokerqualifications/registeredrep/).



## Registration and Employment History



### Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
04/2008 - 06/2009	MORGAN STANLEY & CO. INCORPORATED	8209	TUSCALOOSA, AL
04/1999 - 04/2008	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	7691	TUSCALOOSA, AL

### Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.

Employment Dates	Employer Name	Employer Location
01/2015 - Present	MORGAN STANLEY PRIVATE BANK, NATIONAL ASSOCIAT	NEW YORK, NY
06/2009 - Present	MORGAN STANLEY SMITH BARNEY	TUSCALOOSA, AL
04/2008 - Present	MORGAN STANLEY & CO. INCORPORATED	TUSCALOOSA, AL
02/1999 - 04/2008	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORA	TUSCALOOSA, AL

### Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.

NAME WACO, LLC  
ADDRESS 6534 11TH COURT TUSCALOOSA, AL 35405  
REAL ESTATE INVESTMENT  
SILENT PARTNET  
0 HOURS SPENT PER MONTH



## Disclosure Events



### What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
  - o A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
  - o A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - o As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
  - o A disclosure event may have a status of *pending*, *on appeal*, or *final*.
    - A "pending" event involves allegations that have not been proven or formally adjudicated.
    - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
    - A "final" event has been concluded and its resolution is not subject to change.
  - o A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
    - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that brokers and brokerage firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.

**For your convenience, below is a matrix of the number and status of disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.**

	Pending	Final	On Appeal
Customer Dispute	0	1	N/A







## Disclosure Event Details

When evaluating this information, please keep in mind that a disclosure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

### Customer Dispute - Settled

This type of disclosure event involves a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit containing allegations of sale practice violations against the broker that resulted in a monetary settlement to the customer.

#### Disclosure 1 of 1

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	MORGAN STANLEY & CO. INCORPORATED
<b>Allegations:</b>	CLIENT ALLEGES MORGAN STANLEY WAS UNTIMELY IN ITS REALLOCATING OF HIS ANNUITY. DAMAGES UNSPECIFIED.
<b>Product Type:</b>	Other
<b>Other Product Type(s):</b>	ANNUITIES
<b>Alleged Damages:</b>	\$0.00
<b>Customer Complaint Information</b>	
<b>Date Complaint Received:</b>	12/30/2008
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	03/13/2009
<b>Settlement Amount:</b>	\$31,058.96
<b>Individual Contribution Amount:</b>	\$0.00

**End of Report**



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## Individual Snapshot Report

Data current as of: 10/11/2017

### NOTICE

This report contains information from the Central Registration Depository (CRD®) and/or the Investment Adviser Registration Depository (IARD™), which are operated by the Financial Industry Regulatory Authority (FINRA®), a national securities association registered under the Securities Exchange Act of 1934. The CRD system primarily contains information submitted on uniform broker-dealer and agent registration forms and certain other information related to registration and licensing. The IARD system primarily contains information submitted on uniform investment adviser and agent registration forms and certain other information related to registration and licensing.

FINRA operates the CRD system in its capacity as a registered national securities association and pursuant to an agreement with the North American Securities Administrators Association, Inc. (NASAA).

FINRA operates the IARD system as a vendor pursuant to a contract with the Securities and Exchange Commission and undertakings with NASAA and participating state regulators.

<b>Individual CRD#</b>	3187674
<b>Full Legal Name</b>	WARR, MICHAEL CHARLES
<b>Other Names Known By</b>	WARR, MICHAEL C
<b>State of Residence</b>	Alabama
<b>Do you have disclosure?</b>	Yes
<b>Are you subject to Statutory Disqualification?</b>	No

### Residential History


From	To	Street	City	State/Country	Zip
04/01/2017	PRESENT	1116 PINEMONT DRIVE N	TUSCALOOSA	AL	35406
06/01/2012	04/2017	1322 INDIAN HILLS DR	TUSCALOOSA	AL	35406
12/01/2009	06/2012	3535 GRAND ARBOR DRIVE	TUSCALOOSA	AL	35406
11/01/2009	12/2009	1322 INDIAN HILLS DR.	TUSCALOOSA	AL	35406
04/01/2009	11/2009	15008 WATERCREST DRIVE	NORTHPORT	AL	35475
01/01/2008	04/2009	705 GREENBRIAR BLVD	NORTHPORT	AL	35473
01/01/2007	12/2007	1322 INDIAN HILLS DR	TUSCALOOSA	AL	35406
08/01/2003	01/2007	404 VANTAGE POINT	TUSCALOOSA	AL	35406
10/01/2002	08/2003	404 VANTAGE POINT	TUSCALOOSA	AL	35406
07/01/2001	10/2002	60 THE DOWNS	TUSCALOOSA	AL	35401
09/01/1996	07/2001	1093 FAIRFAX DRIVE	TUSCALOOSA	AL	35406
08/01/1993	09/1996	SIGMA NU FRATERNITY	TUSCALOOSA	AL	35401


### Registrations with Current Employer(s)

Firm Name	Firm CRD Number	Employment Start Date	Employment End Date
MORGAN STANLEY	149777	06/01/2009	Present

Firm Name	Firm CRD Number	Employment Start Date	Employment End Date	
Regulator	Registration Category	Status Date	Registration Status	Approval Date
FINRA	GS	06/01/2009	APPROVED	06/01/2009
FINRA	SU	06/01/2009	APPROVED	06/01/2009
NQX	GS	06/01/2009	APPROVED	06/01/2009
NQX	SU	06/01/2009	APPROVED	06/01/2009
NYSE	BM	06/01/2009	APPROVED	06/01/2009
NYSE	GS	06/01/2009	APPROVED	06/01/2009
NYSE-AMER	BM	06/17/2011	APPROVED	06/17/2011
NYSE-AMER	GS	06/17/2011	APPROVED	06/17/2011
AL	AG	06/01/2009	APPROVED	06/01/2009
AL	RA	06/01/2009	APPROVED	06/01/2009
AR	AG	06/01/2009	APPROVED	06/01/2009
AZ	AG	12/31/2016	TERMED	05/26/2016
CA	AG	06/01/2009	APPROVED	06/01/2009
CO	AG	01/18/2017	APPROVED	01/18/2017
CO	AG	12/31/2010	TERMED	06/01/2009
CT	AG	06/04/2015	APPROVED	06/04/2015
DC	AG	12/31/2012	TERMED	06/01/2009
DE	AG	06/01/2009	APPROVED	06/01/2009
FL	AG	07/14/2009	APPROVED	07/14/2009
GA	AG	06/01/2009	APPROVED	06/01/2009
HI	AG	05/18/2016	T_NOREG	
IL	AG	12/31/2012	TERMED	06/01/2009
KS	AG	12/31/2012	TERMED	01/13/2012
KY	AG	07/26/2017	APPROVED	07/26/2017
KY	AG	12/31/2013	TERMED	06/01/2009
LA	AG	06/01/2009	APPROVED	06/01/2009
MA	AG	05/14/2010	APPROVED	05/14/2010
MD	AG	12/31/2012	TERMED	06/01/2009
MI	AG	06/01/2009	APPROVED	06/01/2009
MO	AG	12/31/2015	TERMED	06/01/2009
MS	AG	06/01/2009	APPROVED	06/01/2009
NC	AG	06/01/2009	APPROVED	06/01/2009
NJ	AG	03/29/2016	APPROVED	03/29/2016
NJ	AG	12/31/2014	TERMED	07/23/2012
NJ	AG	12/31/2010	TERMED	06/01/2009
NM	AG	12/31/2016	TERMED	04/27/2016
NV	AG	12/31/2012	TERMED	02/08/2012
NV	AG	12/31/2010	TERMED	06/01/2009
NY	AG	04/09/2013	APPROVED	04/09/2013
NY	AG	12/31/2011	TERMED	06/01/2009
OH	AG	12/31/2016	TERMED	08/02/2013
OH	AG	12/31/2012	TERMED	06/01/2009
OK	AG	12/31/2012	TERMED	06/01/2009
OR	AG	12/31/2014	TERMED	06/01/2009
PA	AG	04/08/2016	APPROVED	04/08/2016
SC	AG	06/01/2009	APPROVED	06/01/2009
TN	AG	06/01/2009	APPROVED	06/01/2009
TX	AG	06/01/2009	APPROVED	06/01/2009
TX	RA	06/01/2009	APPROVED	06/01/2009
VA	AG	10/22/2013	APPROVED	10/22/2013
VA	AG	12/31/2012	TERMED	06/01/2009
WA	AG	09/28/2015	APPROVED	09/28/2015
WV	AG	09/20/2017	APPROVED	09/20/2017

#### Registrations with Previous Employer(s)

Firm Name	Firm CRD Number	Employment Start Date	Employment End Date	Reason For Termination	Termination Comment
 MORGAN STANLEY & CO. INCORPORATED	8209	04/23/2008	06/01/2009	OTHER	REGISTERED REPRESENTATIVE WAS CONTRIBUTED TO NEW JOINT VENTURE BROKER-DEALER, MORGAN STANLEY SMITH BARNEY

Firm Name		Firm CRD Number	Employment Start Date	Employment End Date	Reason For Termination	Termination Comment
Regulator	Registration Category	Status Date		Registration Status		Approval Date
BX	GS	06/01/2009		T_NOMT		01/16/2009
BX	SU	06/01/2009		T_NOMT		01/16/2009
CBOE	GS	06/01/2009		T_NOMT		04/23/2008
CBOE	SU	06/01/2009		T_NOMT		04/23/2008
FINRA	GS	06/01/2009		MASS_TRNSF		04/23/2008
FINRA	SU	06/01/2009		MASS_TRNSF		04/23/2008
ISE	GS	06/01/2009		T_NOMT		04/23/2008
NOX	GS	06/01/2009		MASS_TRNSF		04/23/2008
NOX	SU	06/01/2009		MASS_TRNSF		04/23/2008
NYSE	BM	06/01/2009		MASS_TRNSF		04/23/2008
NYSE	GS	06/01/2009		MASS_TRNSF		04/23/2008
NYSE-AMER	BM	06/01/2009		T_NOMT		04/23/2008
NYSE-AMER	GS	06/01/2009		T_NOMT		04/23/2008
NYSE-ARCA	GS	06/01/2009		T_NOMT		04/23/2008
NYSE-ARCA	SU	06/01/2009		T_NOMT		04/23/2008
PHLX	GS	06/01/2009		T_NOMT		04/23/2008
PHLX	SU	06/01/2009		T_NOMT		04/23/2008
AL	AG	06/01/2009		MASS_TRNSF		04/23/2008
AL	RA	06/01/2009		MASS_TRNSF		04/23/2008
AR	AG	06/01/2009		MASS_TRNSF		07/24/2008
CA	AG	06/01/2009		MASS_TRNSF		04/23/2008
CO	AG	06/01/2009		MASS_TRNSF		04/23/2008
DC	AG	06/01/2009		MASS_TRNSF		12/01/2008
DE	AG	06/01/2009		MASS_TRNSF		10/21/2008
FL	AG	06/11/2009		TERMED		04/23/2008
GA	AG	06/01/2009		MASS_TRNSF		04/23/2008
IL	AG	06/01/2009		MASS_TRNSF		02/25/2009
KY	AG	06/01/2009		MASS_TRNSF		04/23/2008
LA	AG	06/01/2009		MASS_TRNSF		04/23/2008
MD	AG	06/01/2009		MASS_TRNSF		07/24/2008
MI	AG	06/01/2009		MASS_TRNSF		04/23/2008
MO	AG	06/01/2009		MASS_TRNSF		04/23/2008
MS	AG	06/01/2009		MASS_TRNSF		04/23/2008
NC	AG	06/01/2009		MASS_TRNSF		04/23/2008
NJ	AG	06/01/2009		MASS_TRNSF		06/05/2008
NV	AG	06/01/2009		MASS_TRNSF		04/23/2008
NY	AG	06/01/2009		MASS_TRNSF		07/01/2008
OH	AG	06/01/2009		MASS_TRNSF		07/25/2008
OK	AG	06/01/2009		MASS_TRNSF		07/24/2008
OR	AG	06/01/2009		MASS_TRNSF		07/24/2008
SC	AG	06/01/2009		MASS_TRNSF		04/23/2008
TN	AG	06/01/2009		MASS_TRNSF		04/23/2008
TX	AG	06/01/2009		MASS_TRNSF		04/23/2008
TX	RA	06/01/2009		MASS_TRNSF		04/23/2008
VA	AG	06/01/2009		MASS_TRNSF		07/24/2008
 MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED		7691	02/01/1999	04/23/2008	VOLUNTARY	

Firm Name		Firm CRD Number	Employment Start Date	Employment End Date	Reason For Termination	Termination Comment
Regulator	Registration Category	Status Date		Registration Status		Approval Date
CBOE	GS	04/26/2008		TERMED		04/08/1999
CBOE	SU	04/26/2008		TERMED		07/15/2004
FINRA	GS	04/26/2008		TERMED		04/08/1999
FINRA	SU	04/26/2008		TERMED		07/09/2004
ISE	GS	04/26/2008		TERMED		01/26/2008
NOX	GS	04/26/2008		TERMED		07/12/2006
NOX	SU	04/26/2008		TERMED		07/12/2006
NYSE	BM	04/26/2008		TERMED		07/15/2004
NYSE	GS	04/26/2008		TERMED		06/01/1999
NYSE-AMER	BM	04/26/2008		TERMED		07/15/2004
NYSE-AMER	GS	04/26/2008		TERMED		06/01/1999
NYSE-ARCA	GS	04/26/2008		TERMED		04/08/1999
NYSE-ARCA	SU	04/26/2008		TERMED		07/15/2004
PHLX	GS	04/26/2008		TERMED		04/08/1999
PHLX	SU	04/26/2008		TERMED		07/15/2004
AL	AG	04/26/2008		TERMED		04/20/1999
AL	RA	04/26/2008		TERMED		05/07/1999
AR	AG	12/31/2007		TERMED		08/02/2006
AZ	AG	12/31/2004		TERMED		01/19/2001
CA	AG	04/26/2008		TERMED		10/27/2000
CO	AG	04/26/2008		TERMED		03/30/2006
CO	AG	12/31/2001		TERMED		01/19/2001
DC	AG	12/31/2001		TERMED		02/03/2000
FL	AG	04/26/2008		TERMED		05/30/2000
GA	AG	04/26/2008		TERMED		06/10/1999
IL	AG	12/31/2001		TERMED		01/19/2001
KY	AG	04/26/2008		TERMED		02/07/2007
LA	AG	04/26/2008		TERMED		07/23/2007
LA	AG	12/31/2004		TERMED		02/17/2000
MD	AG	12/31/2001		TERMED		01/19/2001
MI	AG	04/26/2008		TERMED		01/06/2004
MS	AG	04/26/2008		TERMED		01/19/2001
NC	AG	04/26/2008		TERMED		06/19/2000
NE	AG	12/31/2001		TERMED		01/19/2001
NV	AG	12/31/2006		TERMED		01/11/2005
NV	AG	12/31/2004		TERMED		04/13/2004
NY	AG	12/31/2006		TERMED		04/13/2004
NY	AG	12/31/2001		TERMED		01/19/2001
OK	AG	12/31/2001		TERMED		01/22/2001
OR	AG	12/31/2001		TERMED		02/20/2001
PA	AG	12/31/2001		TERMED		05/30/2000
SC	AG	04/26/2008		TERMED		02/24/2006
SC	AG	12/31/2005		TERMED		12/09/2004
TN	AG	04/26/2008		TERMED		01/19/2001
TX	AG	04/26/2008		TERMED		06/01/2007
TX	AG	12/31/2004		TERMED		01/19/2001
TX	RA	04/26/2008		TERMED		06/11/2007
TX	RA	01/29/2005		TERMED		01/19/2001
VA	AG	12/31/2006		TERMED		05/24/2002
WA	AG	12/31/2007		TERMED		09/20/2005
WI	AG	12/31/2001		TERMED		01/19/2001

**Professional Designations**

No Designations

**Employment History****Office of Employment Address History**

Employment Start Date	Employment End Date	Firm Name	Independent Contractor	CRD Branch#	Branch Code#	Firm Billing Code	Registered Location?	Private Residence?	Type Of Office	Address
06/01/2009	Present	MORGAN STANLEY (149777)	No	408483	100743	100743	Yes	No	Located At	1657 NORTH MCFARLAND BLVD. SUITE G3E TUSCALOOSA, AL 35406 United States
06/01/2009	06/01/2009	MORGAN STANLEY & CO. INCORPORATED (8209)	No	BD MAIN	1585- MAIN		No	No	Located At	1585 BROADWAY NEW YORK, NY 10036-8293 UNITED STATES

Employment Start Date	Employment End Date	Firm Name	Independent Contractor	CRD Branch#	Branch Code#	Firm Billing Code	Registered Location?	Private Residence?	Type Of Office	Address
04/23/2008	06/01/2009	MORGAN STANLEY & CO. INCORPORATED (8209)	No	366503	100743	100743	Yes	No	Located At	1657 NORTH MCFARLAND BLVD. SUITE G3E TUSCALOOSA, AL 35406 United States
02/01/1999	04/23/2008	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (7691)	No	92782	050-526	050-526	Yes	No	Located At	302 MERCHANT'S WALK SUITE 100 TUSCALOOSA, AL 35406 United States

**U4 Employment History**

Employment Start Date	Employment End Date	Name	Location	Position	Investment Related
01/2015	PRESENT	MORGAN STANLEY PRIVATE BANK, NATIONAL ASSOCIATION	NEW YORK, NY United States	FINANCIAL ADVISOR	Yes
06/2009	PRESENT	MORGAN STANLEY SMITH BARNEY	TUSCALOOSA, AL United States	Mass Transfer	Yes
04/2008	PRESENT	MORGAN STANLEY & CO. INCORPORATED	TUSCALOOSA, AL United States	FINANCIAL ADVISOR & BRANCH MANAGER	Yes
02/1999	04/2008	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	TUSCALOOSA, AL United States	NOT PROVIDED	Yes
05/1997	01/1999	TUSCALOOSA TEACHERS CREDIT UNION	TUSCALOOSA, AL United States	OTHER - LOAN COUNSELOR	No
03/1997	05/1997	UNEMPLOYED	TUSCALOOSA, AL United States	OTHER - 1093 FAIRFAX DRIVE, TUSCALOOSA	No
08/1996	03/1997	REGIONS BANK	TUSCALOOSA, AL United States	OTHER - TRAINING FACILITATO	No
05/1996	08/1996	UNEMPLOYED	TUSCALOOSA, AL United States	OTHER - SIGMA NU FRATERNITY TUSCALOOSA	No
08/1991	05/1996	FULL TIME STUDENT	TUSCALOOSA, AL United States	OTHER - U. OF ALABAMA	No
08/1988	05/1991	FULL TIME STUDENT	BUTLER, AL United States	OTHER - PATRICIAN ACADEMY ROUTE 1 SAW	No

**Other Business**

<b>Other Business</b>	NAME WACO, LLC ADDRESS 6534 11TH COURT TUSCALOOSA, AL 35405 REAL ESTATE INVESTMENT SILENT PARTNET 0 HOURS SPENT PER MONTH
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**Exam Information****Exam History**

Exam	Enrollment ID	Exam Status	Status Date	Exam Date	Grade	Score	Window Begin Date	Window End Date
S7	23122272	Official Result	04/07/1999	04/07/1999	Passed	87		
S9	23122273	Official Result	06/28/2004	06/26/2004	Passed	74	06/03/2004	10/01/2004
S10	23122266	Official Result	07/09/2004	07/08/2004	Passed	78	06/03/2004	10/01/2004
S31	23122269	Official Result	08/13/2004	08/12/2004	Passed	82	08/04/2004	12/02/2004
	23122268	Window Expired	07/05/2004				03/04/2004	07/02/2004
	23122267	Window Expired	01/01/2004				09/02/2003	12/31/2003
S63	23122270	Window Expired	05/24/1999			0		
S66	23122271	Official Result	04/19/1999	04/19/1999	Passed	78		

**Exam Appointments**

No Exam Appointments

**Continuing Education****Individual CE Information**

<b>Current CE Status</b>	SATISFIED
<b>CE Base Date</b>	04/08/1999

**Current CE Appointments**

No Current CE Appointments

**Current CE Requirements**



No Current CE Requirements

## Next CE

## Window Dates

04/08/2019 - 08/05/2019

## Enrollment ID

35531291

## Requirement Type

Anniversary

## Inactive CE History

No CE Inactive History

## U4 - Disclosure Questions

IF THE ANSWER TO ANY OF THE FOLLOWING QUESTIONS IS 'YES', COMPLETE DETAILS OF ALL EVENTS OR PROCEEDINGS ON APPROPRIATE DRP(S)

REFER TO THE EXPLANATION OF TERMS SECTION OF FORM U4 INSTRUCTIONS FOR EXPLANATIONS OF ITALICIZED TERMS.

## Criminal Disclosure

- 14A. (1) Have you ever:** Yes No
- (a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any *felony*? ☐ ☒
- (b) been *charged* with any *felony*? ☐ ☒
- (2) Based upon activities that occurred while you exercised *control* over it, has an organization ever:**
- (a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic or foreign court to any *felony*? ☐ ☒
- (b) been *charged* with any *felony*? ☐ ☒
- 14B. (1) Have you ever:** Yes No
- (a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign or military court to a *misdemeanor involving* investments or an *investment-related* business or any fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses? ☐ ☒
- (b) been *charged* with a *misdemeanor* specified in 14B(1)(a)? ☐ ☒
- (2) Based upon activities that occurred while you exercised *control* over it, has an organization ever:**
- (a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic or foreign court to a *misdemeanor* specified in 14B(1)(a)? ☐ ☒
- (b) been *charged* with a *misdemeanor* specified in 14B(1)(a)? ☐ ☒

## Regulatory Action Disclosure

- 14C. Has the U.S. Securities and Exchange Commission or the Commodity Futures Trading Commission ever:** Yes No
- (1) *found* you to have made a false statement or omission? ☐ ☒
- (2) *found* you to have been *involved* in a violation of its regulations or statutes? ☐ ☒
- (3) *found* you to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted? ☐ ☒
- (4) entered an *order* against you in connection with *investment-related* activity? ☐ ☒
- (5) imposed a civil money penalty on you, or *ordered* you to cease and desist from any activity? ☐ ☒
- (6) *found* you to have willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or *found* you to have been unable to comply with any provision of such Act, rule or regulation? ☐ ☒
- (7) *found* you to have willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? ☐ ☒
- (8) *found* you to have failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? ☐ ☒
- 14D. (1) Has any other Federal regulatory agency or any state regulatory agency or foreign financial regulatory authority ever:** Yes No
- (a) *found* you to have made a false statement or omission or been dishonest, unfair or unethical? ☐ ☒
- (b) *found* you to have been *involved* in a violation of *investment-related* regulation(s) or statute(s)? ☐ ☒
- (c) *found* you to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked or restricted? ☐ ☒
- (d) entered an *order* against you in connection with an *investment-related* activity? ☐ ☒
- (e) denied, suspended, or revoked your registration or license or otherwise, by *order*, prevented you from associating with an *investment-related* business or restricted your activities? ☐ ☒
- (2) Have you been subject to any final order of a state securities commission (or any agency or officer performing like functions), state authority that supervises or examines banks, savings associations, or credit unions, state insurance commission (or any agency or office performing like functions), an appropriate federal banking agency, or the National Credit Union Administration, that:**
- (a) bars you from association with an entity regulated by such commission, authority, agency, or officer, or from engaging in the business of securities, insurance, banking, savings association activities, or credit union activities; or ☐ ☒
- (b) constitutes a *final order* based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? ☐ ☒

- 14E. Has any self-regulatory organization ever:** Yes No
- (1) found you to have made a false statement or omission? ☐ ☒
- (2) found you to have been involved in a violation of its rules (other than a violation designated as a "minor rule violation" under a plan approved by the U.S. Securities and Exchange Commission)? ☐ ☒
- (3) found you to have been the cause of an investment-related business having its authorization to do business denied, suspended, revoked or restricted? ☐ ☒
- (4) disciplined you by expelling or suspending you from membership, barring or suspending your association with its members, or restricting your activities? ☐ ☒
- (5) found you to have willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or found you to have been unable to comply with any provision of such Act, rule or regulation? ☐ ☒
- (6) found you to have willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? ☐ ☒
- (7) found you to have failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? ☐ ☒

**14F. Have you ever had an authorization to act as an attorney, accountant or federal contractor that was revoked or suspended?** ☐ ☒

- 14G. Have you been notified, in writing, that you are now the subject of any:** Yes No
- (1) regulatory complaint or proceeding that could result in a "yes" answer to any part of 14C, D or E? (If "yes", complete the Regulatory Action Disclosure Reporting Page.) ☐ ☒
- (2) investigation that could result in a "yes" answer to any part of 14A, B, C, D or E? (If "yes", complete the Investigation Disclosure Reporting Page.) ☐ ☒

#### Civil Judicial Disclosure

- 14H. (1) Has any domestic or foreign court ever:** Yes No
- (a) enjoined you in connection with any investment-related activity? ☐ ☒
- (b) found that you were involved in a violation of any investment-related statute(s) or regulation(s)? ☐ ☒
- (c) dismissed, pursuant to a settlement agreement, an investment-related civil action brought against you by a state or foreign financial regulatory authority? ☐ ☒
- (2) Are you named in any pending investment-related civil action that could result in a "yes" answer to any part of 14H(1)?** ☐ ☒

#### Customer Complaint/Arbitration/Civil Litigation Disclosure

- 14I. (1) Have you ever been named as a respondent/defendant in an investment-related, consumer-initiated arbitration or civil litigation which alleged that you were involved in one or more sales practice violations and which:** Yes No
- (a) is still pending, or; ☐ ☒
- (b) resulted in an arbitration award or civil judgment against you, regardless of amount, or; ☐ ☒
- (c) was settled, prior to 05/18/2009, for an amount of \$10,000 or more, or; ☐ ☒
- (d) was settled, on or after 05/18/2009, for an amount of \$15,000 or more? ☐ ☒
- (2) Have you ever been the subject of an investment-related, consumer-initiated (written or oral) complaint, which alleged that you were involved in one or more sales practice violations, and which:**
- (a) was settled, prior to 05/18/2009 for an amount of \$10,000 or more, or; ☒ ☐
- (b) was settled, on or after 05/18/2009, for an amount of \$15,000 or more? ☐ ☒
- (3) Within the past twenty four (24) months, have you been the subject of an investment-related, consumer-initiated, written complaint, not otherwise reported under question 14I (2) above, which:**
- (a) alleged that you were involved in one or more sales practice violations and contained a claim for compensatory damages of \$5,000 or more (if no damage amount is alleged, the complaint must be reported unless the firm has made a good faith determination that the damages from the alleged conduct would be less than \$5,000), or; ☐ ☒
- (b) alleged that you were involved in forgery, theft, misappropriation or conversion of funds or securities? ☐ ☒

Answer questions (4) and (5) below only for arbitration claims or civil litigation filed on or after 05/18/2009.

**(4) Have you ever been the subject of an investment-related, consumer-initiated arbitration claim or civil litigation which alleged that you were involved in one or more sales practice violations, and which:**

- (a) was settled for an amount of \$15,000 or more, or; ☐ ☒
- (b) resulted in an arbitration award or civil judgment against any named respondent(s)/defendant(s), regardless of any amount? ☐ ☒

**(5) Within the past twenty four (24) months, have you been the subject of an investment-related, consumer-initiated arbitration claim or civil litigation not otherwise reported under questions 14I (4) above, which:**

- (a) alleged that you were involved in one or more sales practice violations and contained a claim for compensatory damages of \$5,000 or more (if no damage amount is alleged, the arbitration claim or civil litigation, must be reported unless the firm has made a good faith determination that the damages from the alleged conduct would be less than \$5,000), or; ☐ ☒
- (b) alleged that you were involved in forgery, theft, misappropriation or conversion of funds or securities? ☐ ☒

#### Termination Disclosure

- 14J. Have you ever voluntarily resigned, been discharged or permitted to resign after allegations were made that accused you of:** Yes No
- (1) violating investment-related statutes, regulations, rules, or industry standards of conduct? ☐ ☒

- (2) fraud or the wrongful taking of property? ☐ ☒
- (3) failure to supervise in connection with *investment-related* statutes, regulations, rules or industry standards of conduct? ☐ ☒

**Financial Disclosure****14K. Within the past 10 years:**

- (1) have you made a compromise with creditors, filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition? ☐ ☒
- (2) based upon events that occurred while you exercised *control* over it, has an organization made a compromise with creditors, filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition? ☐ ☒
- (3) based upon events that occurred while you exercised *control* over it, has a broker or dealer been the subject of an involuntary bankruptcy petition, or had a trustee appointed, or had a direct payment procedure initiated under the Securities Investor Protection Act? ☐ ☒

**14L. Has a bonding company ever denied, paid out on, or revoked a bond for you?** ☐ ☒

**14M. Do you have any unsatisfied judgments or liens against you?** ☐ ☒

**Current Disclosure****Current Disclosure Counts**

Bankruptcy	0
Bond	0
Civil Judicial	0
Criminal	0
Customer Complaint	1
Internal Review	0
Investigation	0
Judgment/Lien	0
Regulatory Action	0
Termination	0

**Current Disclosure Events****Customer Complaint (Occurrence#: 1451227)**

U4 - AMENDMENT  
04/09/2009  
MORGAN STANLEY & CO. LLC (8209)

Rev. Form U4 (10/2005)

This Disclosure Reporting Page is an ☒ **INITIAL** OR ☐ **AMENDED** response to report details for affirmative response to **Question 14I** on Form U4;

Check question(s) you are responding to:

**Customer Complaint/Arbitration/Civil Litigation**

Rev. DRP (10/2005)

☐ 14I (1)(a)☐ 14I (1)(b)☐ 14I (1)(c)☒ 14I (2)☐ 14I (3)(a)☐ 14I (3)(b)

One event may result in more than one affirmative answer to the above items. Use only one DRP to report details related to one customer complaint/arbitration/civil litigation. Use a separate DRP for each customer complaint/arbitration/civil litigation.

**DRP Instructions:**

- In all matters (i.e., customer complaints, arbitrations/CFTC reparations, civil litigations), complete items 1-6.
- If the matter involves only a customer complaint, also complete items 7-12, as appropriate.
- If the customer complaint has evolved into an arbitration/CFTC reparation or civil litigation, amend the existing DRP by completing items 9 and 10.
- If the matter involves an arbitration or CFTC reparation, complete items 13-19, as appropriate.
- If the matter involves a civil litigation, complete items 20-27.
- Item 28 is an optional field and applies to all event types (i.e., customer complaint, arbitration/CFTC reparation, civil litigation).

Complete items 1-6 for all events.

1. Customer Name(s):  
JOHN E. JARVIS
2. Customer(s) State of Residence:  
Alabama  
Other state(s) of residence/detail:
3. Employing Firm when activities occurred which led to the complaint:  
MORGAN STANLEY & CO. INCORPORATED
4. Allegation(s) and a brief summary of events related to the allegation(s) including dates when activities leading to the allegation(s) occurred:  
CLIENT ALLEGES MORGAN STANLEY WAS UNTIMELY IN ITS REALLOCATING OF HIS ANNUITY. DAMAGES UNSPECIFIED.
5. Principal Product Type:  
Other  
Other Product Types:  
ANNUITIES

6. Alleged Compensatory Damage Amount:  
\$ 0.00

**If the matter involves only a customer complaint, complete items 7-12, as appropriate.**

7. Date Customer Complaint was received(MM/DD/YYYY):  
12/30/2008 ☐ Exact ☒ Explanation  
If not exact, provide explanation:  
THIS WAS AN ORAL COMPLAINT

8. Is the customer complaint pending? ☐ Yes ☒ No

**If the customer complaint has evolved into an arbitration/CFTC reparation or civil litigation, amend the existing DRP by completing items 9 and 10.**

9. If the customer complaint is not pending, provide status:  
If status is settlement, complete items 11 and 12;  
If status is arbitration/reparation, complete items 13-19;  
If status is litigation, complete items 20-27.

☐ Closed/No Action  
☒ Settled

☐ Withdrawn  
☐ Arbitration/Reparation

☐ Denied  
☐ Litigation

10. Status Date (MM/DD/YYYY):  
03/13/2009 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

11. Settlement Amount (if settled without arbitration, litigation or reparation):  
\$ 31,058.96

12. Individual Contribution Amount:  
\$ 0.00

**If the matter involves an arbitration or CFTC reparation, complete items 13-19, as appropriate.**

13. Arbitration/Reparation claim filed with FINRA, AAA, NYSE, CBOE, CFTC, etc.) and Docket/Case Number:

14. Date notice/process was served (MM/DD/YYYY):  
☐ Exact ☐ Explanation  
If not exact, provide explanation:

15. Is arbitration/reparation pending? ☐ Yes ☐ No

16. If the arbitration is not pending, what was the disposition?

17. Disposition Date (MM/DD/YYYY):  
☐ Exact ☐ Explanation  
If not exact, provide explanation:

18. Amount of Monetary Compensation (award, settlement, reparation amount):  
\$

19. Individual Contribution Amount:  
\$

**If the matter involves a civil litigation, complete items 20-27.**

20. Court that case was filed in (include name of Federal, Military, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case number):

21. Date notice/process was served (MM/DD/YYYY):  
☐ Exact ☐ Explanation  
If not exact, provide explanation:

22. Is the civil litigation pending? ☐ Yes ☐ No

23. If the civil litigation is not pending, what was the disposition?

24. Disposition Date (MM/DD/YYYY):  
☐ Exact ☐ Explanation  
If not exact, provide explanation:

25. Amount of Monetary Compensation (judgment, restitution, settlement amount):  
\$

26. Individual Contribution Amount:  
\$

27. If the action is currently on appeal enter date appeal filed (MM/DD/YYYY):  
☐ Exact ☐ Explanation  
If not exact, provide explanation:

28. Comment (Optional). You may use this field to provide a brief summary of the circumstances leading to the customer complaint, arbitration/CFTC reparation and/or civil litigation as well as the current status or final disposition(s). Your information must fit within the space provided.

No Archived Disclosure Counts	
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# EXHIBIT 2

# The Fall Of The Market In The Fall Of 2008

By Paul Kosakowski

SH

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**Mortgage crisis. Credit crisis. Bank collapse. Government bailout.** Phrases like these frequently appeared in the headlines throughout the fall of 2008, a period in which the major financial markets lost more than 30% of their value. This period also ranks among the most horrific in U.S. financial market history. Those who lived through these events will likely never forget the turmoil. So what happened, exactly, and why? Read on to learn how the explosive growth of the subprime mortgage market, which began in 1999, played a significant role in setting the stage for the turmoil that would unfold just nine years later.

## Unprecedented Growth and Consumer Debt

Subprime mortgages are mortgages targeted at borrowers with less-than-perfect credit and less-than-adequate savings. An increase in subprime borrowing began in 1999 as the Federal National Mortgage Association (widely referred to as Fannie Mae) began a concerted effort to make home loans more accessible to those with lower credit and savings than lenders typically required. The idea was to help everyone attain the American dream of home ownership. Since these borrowers were considered high-risk, their mortgages had unconventional terms that reflected that risk, such as higher interest rates and variable payments. (Learn more in *Subprime Lending: Helping Hand Or Underhanded?*)

While many saw great prosperity as the subprime market began to explode, others began to see red flags and potential danger for the economy. Bob Prechter, founder of Elliot Wave International, consistently argued that the out-of-control mortgage market was a threat to the U.S. economy as the whole industry was dependent on ever-increasing property values.

As of 2002, government-sponsored mortgage lenders Fannie Mae and Freddie Mac had extended more than \$3 trillion worth of mortgage credit. In his 2002 book "Conquer the Crash", Prechter stated, "confidence is the only thing holding up this giant house of cards." The role of Fannie and Freddie is to repurchase mortgages from the lenders who originated them, and make money when mortgage notes are paid. Thus, ever-increasing mortgage default rates led to a crippling decrease in revenue for these two companies. (Learn more in *Fannie Mae, Freddie Mac And The Credit Crisis Of 2008.*)

Among the most potentially lethal of the mortgages offered to subprime borrowers were the interest-only ARM and the payment option ARM, both adjustable-rate mortgages (ARMs). Both of these mortgage types have the borrower making much lower initial payments than would be due under a fixed-rate mortgage. After a period of time, often only two or three years, these ARMs reset. The payments then fluctuate as frequently as monthly, often becoming much larger than the initial payments. (For more on this type of mortgage, see *This ARM Has Teeth.*)

In the up-trending market that existed from 1999 through 2005, these mortgages were virtually risk-free. A borrower, having positive equity despite the low mortgage payments since his home had increased in value since the purchase date, could just sell the home for a profit in the event he could not afford the future higher payments. However, many argued that these creative mortgages were a disaster waiting to happen in the event of a housing market downturn, which would put owners in a

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wealthiest country in the world and have all your countrymen be up to their neck in debt."

#### The Subsequent Rise of Creative Mortgage-Related Investment Products

During the run-up in housing prices, the mortgage-backed securities (MBS) market became popular with commercial investors. An MBS is a pool of mortgages grouped into a single security. Investors benefit from the premiums and interest payments on the individual mortgages it contains. This market is highly profitable as long home prices continue to rise and home owners continue to make their mortgage payments. The risks however, became all too real as housing prices began to plummet and homeowners began to default on their mortgages in droves. (Learn how four major players slice and dice your mortgage in the secondary market in *Behind The Scenes Of Your Mortgage*.)

Another popular investment vehicle during this time was the credit derivative, known as a credit default swap (CDSs). CDSs were designed to be a method of hedging against a company's creditworthiness, similar to insurance. But unlike the insurance market, the CDS market was unregulated, meaning there was no requirement that the issuers of CDS contracts maintain enough money in reserve to pay out under a worst-case scenario (such as an economic downturn). This was exactly what happened with American International Group (AIG) in early 2008 as it announced huge losses in its portfolio of underwritten CDS contracts that it could not afford to pay up on. (Learn more about this investment vehicle in *Credit Default Swaps: An Introduction* and *Falling Giant: A Case Study Of AIG*.)

#### Market Decline

By March 2007, with the failure of Bear Stearns due to huge losses resulting from its involvement in having underwritten many of the investment vehicles directly linked to the subprime mortgage market, it became evident that the entire subprime lending market was in trouble. Homeowners were defaulting at high rates as all of the creative variations of subprime mortgages were resetting to higher payments while home prices declined. Homeowners were upside down - they owed more on their mortgages than their homes were worth - and could no longer just flip their way out of their homes if they couldn't make the new, higher payments. Instead, they lost their homes to foreclosure and often filed for bankruptcy in the process. (Take a look at the factors that caused this market to flare up and burn out in *The Fuel That Fed The Subprime Meltdown*.)

Despite this apparent mess, the financial markets continued higher into October of 2007, with the Dow Jones Industrial Average (DJIA) reaching a closing high of 14,164 on October 9, 2007. The turmoil eventually caught up, and by December 2007 the United States had fallen into a recession. By early July 2008, the Dow Jones Industrial Average would trade below 11,000 for the first time in over two years. That would not be the end of the decline.

On Sunday September 7, 2008, with the financial markets down nearly 20% from the October 2007 peaks, the government announced its takeover of Fannie Mae and Freddie Mac as a result of losses from heavy exposure to the collapsing subprime mortgage market. One week later, on September 14, major investment firm Lehman Brothers succumbed to its own overexposure to the subprime mortgage market, and announced the largest bankruptcy filing in U.S. history at that time. The next day, markets plummeted, and the Dow closed down 499 points at 10,917.

The collapse of Lehman cascaded, resulting in the net asset value of the Reserve Primary Fund falling below \$1 per share on September 16, 2008. Investors then were informed that for every \$1 invested, they were entitled to only 97 cents. This loss was due to the holding of commercial paper issued by Lehman and was only the second time in history that a money market fund's share value has "broken the buck." Panic ensued in the money market fund industry, resulting in massive redemption requests. (For related reading, see *Will Your Money Market Fund Break The Buck?* and



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bailout began, sending the Dow up 410 points. The next day, Treasury Secretary Henry Paulson proposed that a Troubled Asset Relief Program (TARP) of as much as \$1 trillion be made available to buy up toxic debt to ward off a complete financial meltdown. Also on this day, the Securities and Exchange Commission (SEC) initiated a temporary ban on short selling the stocks of financial companies, believing this would stabilize the markets. The markets surged on the news and investors sent the Dow up 456 points to an intraday high of 11,483, finally closing up 361 at 11,388. These highs would prove to be of historical importance as the financial markets were about to undergo three weeks of complete turmoil. (For more insight, see *Liquidity And Toxicity: Will TARP Fix The Financial System?*)

### Complete Financial Turmoil

The Dow would plummet 3,600 points from the September 19, 2008, intraday high of 11,483 to the October 10, 2008, intraday low of 7,882. The following is a recap of the major U.S. events that unfolded during this historic three-week period.

- **September 21, 2008:** Goldman Sachs (NYSE:GS) and Morgan Stanley (NYSE:MS), the last two of the major investment banks still standing, convert from investment banks to bank holding companies in order to gain more flexibility for obtaining bailout funding.
- **September 25, 2008:** After a 10-day bank run, the Federal Deposit Insurance Corporation (FDIC) seizes Washington Mutual, then the nation's largest savings and loan, which had been heavily exposed to subprime mortgage debt. Its assets are transferred to JPMorgan Chase (NYSE:JPM).
- **September 28, 2008:** The TARP bailout plan stalls in Congress.
- **September 29, 2008:** The Dow declines 774 points (6.98%), the largest point drop in history. Also, Citigroup (NYSE:C) acquires Wachovia, then the fourth-largest U.S. bank.
- **October 3, 2008:** A reworked \$700 billion TARP plan, renamed the Emergency Economic Stabilization Act of 2008, passes a bipartisan vote in Congress. (U.S. bailouts date all the way back to 1792. Learn how the biggest ones affected the economy in *Top 6 U.S. Government Financial Bailouts*.)
- **October 6, 2008:** The Dow closes below 10,000 for the first time since 2004.
- **October 22, 2008:** President Bush announces that he will host an international conference of financial leaders on November 15, 2008.

### Conclusion

The events of the fall of 2008 are a lesson in what eventually happens when rational thinking gives way to irrationality. While good intentions were likely the catalyst leading to the decision to expand the subprime mortgage market back in 1999, somewhere along the way the United States lost its senses. The higher home prices went, the more creative lenders got in an effort to keeping them going even higher, with a seemingly complete disregard for the potential consequences. When one considers the irrational growth of the subprime mortgage market along with the investment vehicles creatively derived from it, combined with the explosion of consumer debt, maybe the financial turmoil of 2008 was not as unforeseeable as many would like to believe.

Find out how this tough economic period can be a learning experience for all in *The Bright Side Of The Credit Crisis*.

### Ready for the next big market move?

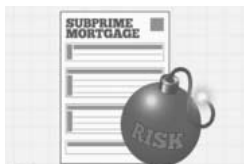
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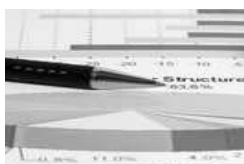
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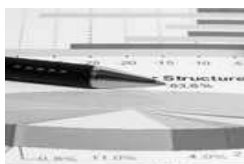
As home-buying technology has progressed, the process of finding the best mortgages rates for 2017 can all be done online.



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# EXHIBIT 3

**Great Speculations***Buys, holds, and hopes*

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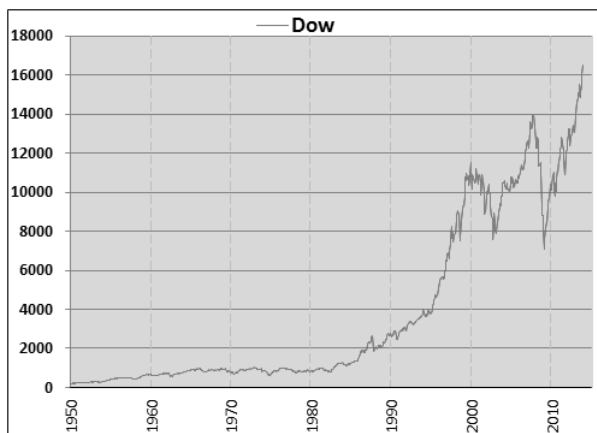
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# History Suggests Dow's Bull Run Still Has Legs



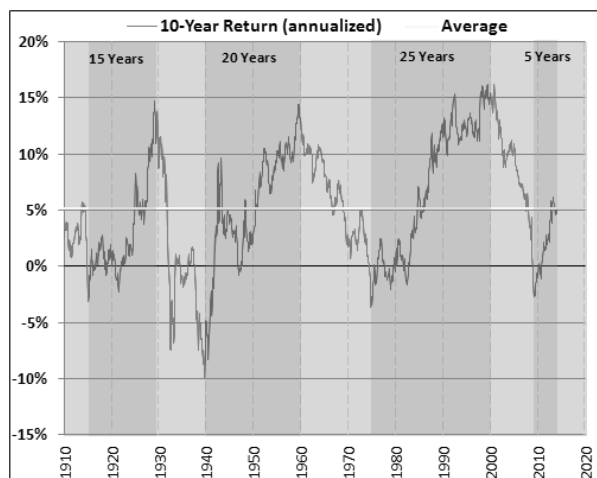
Schaeffer's Investment Research , Contributor

Stocks have been extremely strong since they bottomed in March 2009, and looking at the chart below, you might get a feeling that we've come "too far, too fast" as the Dow Jones Industrial Average (DJI) sits almost 20% above the 2007 peak. Looking at the data in other ways, though, it's not quite as scary.

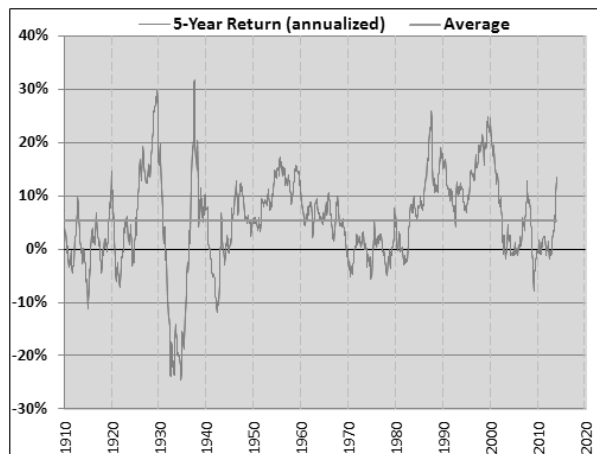


**10-Year Returns:** For example, the chart below indicates we have a lot further to go potentially. It shows the Dow's 10-year returns going all the way back to 1910. As good as the market has been since 2009, the 10-year rolling return is only at its long-term average of about 5%. Additionally, eyeballing the previous bull markets on the chart below shows the current one is still very young

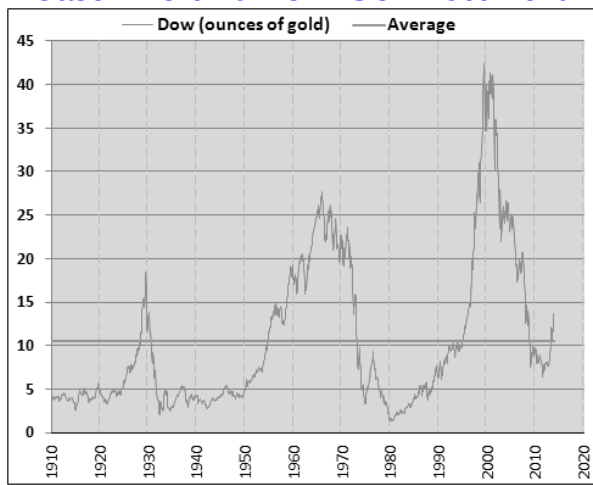
compared to past examples. If the bears are scaring people with the first chart above, then the bulls can make their case with the chart below.



**Five-Year Returns:** This chart is the same concept as above, except it shows five-year returns rather than 10-year returns. Again, the average is around 5% annualized — but the current value is at 13%, which is the highest since early 2001 (as it was falling after the tech boom of the late 1990s). This chart is not as bullish-looking as the previous one, but it has not been uncommon for peaks to reach levels higher than where we stand now.



**Dow in Ounces of Gold:** This used to be a popular chart, but I haven't seen it for a while, as gold has lost some of its luster (it's down about 25% this year). It's a chart that values the Dow in ounces of gold. The value was pretty flat from 2009 through 2012, as Dow and gold both gained significantly. The Dow's gold value jumped in 2013, though, to its current value of about 13.5 ounces — which is now above its long-term average of about 10.5 ounces. However, the current value is pretty small when compared to the peak above 40 ounces in the late 1990s.



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# EXHIBIT 4



# Indexology® Blog

**S&P Dow Jones  
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## Inside the S&P 500: The Dividend Aristocrats



**David Blitzer**

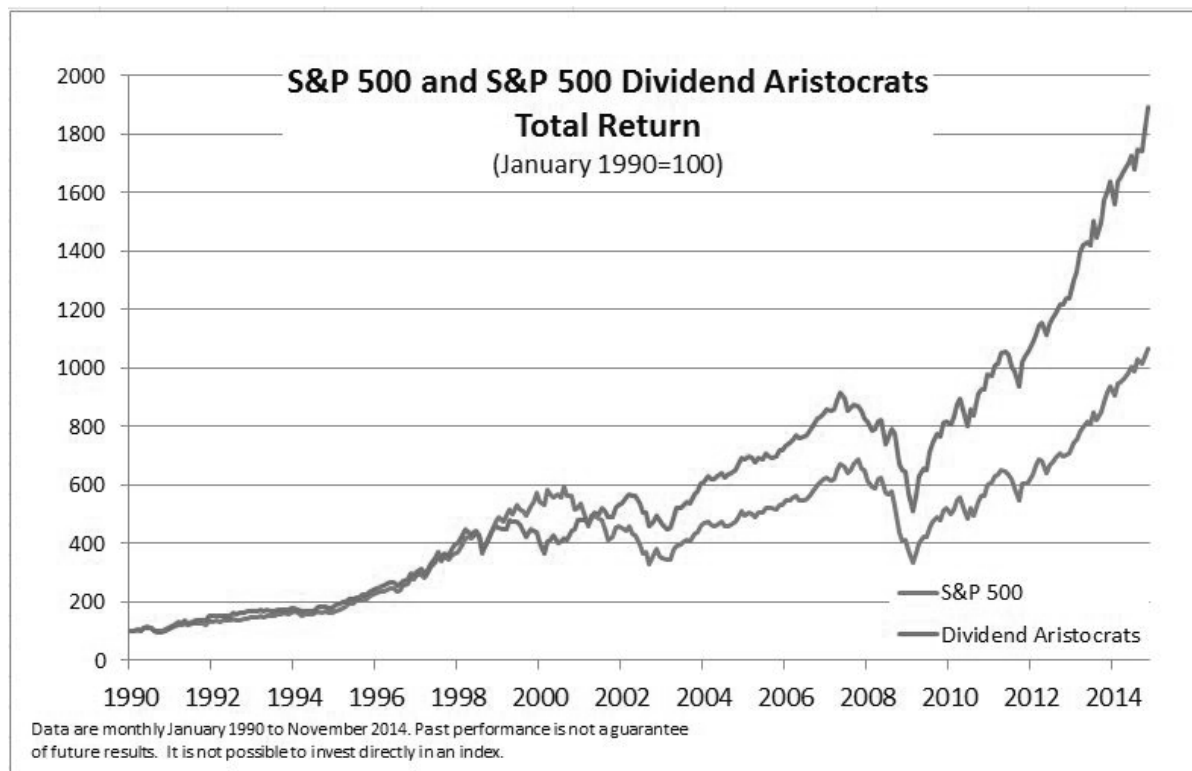
Managing Director and Chairman of the Index Committee  
S&P Dow Jones Indices

DECEMBER 12, 2014 - 4:32 PM

Dividends are ever-popular with investors, but owning dividend stocks or an ETF which tracks an index focused on dividends comes with one big worry: will the companies continue to pay dividends? One of the surest signs that a stock is about to collapse is when the company announces it is reducing or eliminating the dividend. While there is no way to guarantee that a stock will continue paying dividends, many investors look to the company's past history for some hint of what it might do in the future. For those investors, a long history of consistent payments – or better yet, consistent dividend increases – is appealing.

The thought that a long history of increasing dividends could identify companies that would make an attractive dividend focused index is the idea behind the S&P 500 Dividend Aristocrats. Companies included in the index must have a history of at least 25 years of increasing dividends and be current members of the S&P 500. (They may not have been in the S&P 500 for all 25 years). Currently there are 53 stocks in the index, including some well-known names such as ExxonMobil, Walmart, Coca-Cola and PepsiCo.

Recognizing that past performance is not a guarantee of future results, one can see the past results compared to the S&P 500. The chart shows monthly data for the S&P 500 and the S&P 500 Dividend Aristocrats, both measured as total return indices rebased to January 1990=100.



[<http://www.indexology->

[blog.com/wp-content/uploads/2014/12/aristocrats.jpg](http://www.indexologyblog.com/wp-content/uploads/2014/12/aristocrats.jpg)]

Further recognition was received when the S&P 500 Dividend Aristocrats index was named the Index Product of the Year 2014 at the William F. Sharpe Indexing Achievement Awards at the annual IMN Global Indexing and ETF Conference earlier this week in Scottsdale, AZ.

The posts on this blog are opinions, not advice. Please read our [DISCLAIMERS \[HTTP://US.SPINDICES.COM/REGULATORY-AFFAIRS-DISCLAIMERS/\]](http://us.spindices.com/regulatory-affairs-disclaimers/).

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